

UNITED STATES BANKRUPTCY COURT

DISTRICT OF Delaware

In Re. Emergent Fidelity Technologies Ltd

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Case No. 23-10149

Debtor(s)

Lead Case No. 22-11068

☒ Jointly Administered**Monthly Operating Report**

Chapter 11

Reporting Period Ended: 08/31/2023

Petition Date: 02/03/2023

Months Pending: 7

Industry Classification:

5	2	3	9
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Reporting Method:

Accrual Basis ☐Cash Basis ☒

Debtor's Full-Time Employees (current):

0

Debtor's Full-Time Employees (as of date of order for relief):

0

Supporting Documentation (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- ☒ Statement of cash receipts and disbursements
- ☒ Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- ☒ Statement of operations (profit or loss statement)
- ☐ Accounts receivable aging
- ☐ Postpetition liabilities aging
- ☐ Statement of capital assets
- ☒ Schedule of payments to professionals
- ☒ Schedule of payments to insiders
- ☒ All bank statements and bank reconciliations for the reporting period
- ☐ Description of the assets sold or transferred and the terms of the sale or transfer

/s/ 
Signature of Responsible Party

09/20/2023

Date

Toni Shukla, Joint Liquidator

Printed Name of Responsible Party

Coastal Building, PO Box 4171, Wickhams Cay II, Road
Town, Tortola, British Virgin Islands, VG1110
Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

Debtor's Name Emergent Fidelity Technologies Ltd

Case No. 23-10149

Part 1: Cash Receipts and Disbursements	Current Month	Cumulative
a. Cash balance beginning of month	\$1,212,366	
b. Total receipts (net of transfers between accounts)	\$0	\$0
c. Total disbursements (net of transfers between accounts)	\$0	\$0
d. Cash balance end of month (a+b-c)	\$1,212,366	
e. Disbursements made by third party for the benefit of the estate	\$0	\$0
f. Total disbursements for quarterly fee calculation (c+e)	\$0	\$0

Part 2: Asset and Liability Status (Not generally applicable to Individual Debtors. See Instructions.)	Current Month
a. Accounts receivable (total net of allowance)	\$0
b. Accounts receivable over 90 days outstanding (net of allowance)	\$0
c. Inventory (Book <input checked="" type="radio"/> Market <input type="radio"/> Other <input type="radio"/> (attach explanation))	\$0
d. Total current assets	\$627,653,492
e. Total assets	\$627,653,492
f. Postpetition payables (excluding taxes)	\$11,215,837
g. Postpetition payables past due (excluding taxes)	\$3,371,762
h. Postpetition taxes payable	\$0
i. Postpetition taxes past due	\$0
j. Total postpetition debt (f+h)	\$11,215,837
k. Prepetition secured debt	\$664,496,883
l. Prepetition priority debt	\$0
m. Prepetition unsecured debt	\$6,855,146
n. Total liabilities (debt) (j+k+l+m)	\$682,567,866
o. Ending equity/net worth (e-n)	\$-54,914,374

Part 3: Assets Sold or Transferred	Current Month	Cumulative
a. Total cash sales price for assets sold/transferred outside the ordinary course of business	\$0	\$0
b. Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	\$0	\$0
c. Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	\$0	\$0

Part 4: Income Statement (Statement of Operations) (Not generally applicable to Individual Debtors. See Instructions.)	Current Month	Cumulative
a. Gross income/sales (net of returns and allowances)	\$0	
b. Cost of goods sold (inclusive of depreciation, if applicable)	\$0	
c. Gross profit (a-b)	\$0	
d. Selling expenses	\$0	
e. General and administrative expenses	\$0	
f. Other expenses	\$0	
g. Depreciation and/or amortization (not included in 4b)	\$0	
h. Interest	\$0	
i. Taxes (local, state, and federal)	\$0	
j. Reorganization items	\$105,780	
k. Profit (loss)	\$-105,780	\$-3,477,542

Debtor's Name Emergent Fidelity Technologies Ltd

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Part 5: Professional Fees and Expenses

a.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (bankruptcy) <i>Aggregate Total</i>		\$0	\$0	\$0	\$0
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
i	Morgan Lewis Bockius LLP	Lead Counsel	\$0	\$0	\$0	\$0
ii	Quantuma	Other	\$0	\$0	\$0	\$0
iii	Lake, Kentish & Bennett Inc	Local Counsel	\$0	\$0	\$0	\$0
iv	David Joseph KC	Local Counsel	\$0	\$0	\$0	\$0
v	Forbes Hare	Local Counsel	\$0	\$0	\$0	\$0
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Debtor's Name Emergent Fidelity Technologies Ltd

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b.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (nonbankruptcy) <i>Aggregate Total</i>					
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
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Debtor's Name Emergent Fidelity Technologies Ltd

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Debtor's Name Emergent Fidelity Technologies Ltd

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c.	All professional fees and expenses (debtor & committees)						

Part 6: Postpetition Taxes**Current Month****Cumulative**

a.	Postpetition income taxes accrued (local, state, and federal)	\$0	\$0
b.	Postpetition income taxes paid (local, state, and federal)	\$0	\$0
c.	Postpetition employer payroll taxes accrued	\$0	\$0
d.	Postpetition employer payroll taxes paid	\$0	\$0
e.	Postpetition property taxes paid	\$0	\$0
f.	Postpetition other taxes accrued (local, state, and federal)	\$0	\$0
g.	Postpetition other taxes paid (local, state, and federal)	\$0	\$0

Part 7: Questionnaire - During this reporting period:

- a. Were any payments made on prepetition debt? (if yes, see Instructions) Yes ☐ No ☒
- b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) Yes ☐ No ☒
- c. Were any payments made to or on behalf of insiders? Yes ☐ No ☒
- d. Are you current on postpetition tax return filings? Yes ☐ No ☒
- e. Are you current on postpetition estimated tax payments? Yes ☐ No ☒
- f. Were all trust fund taxes remitted on a current basis? Yes ☐ No ☒
- g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) Yes ☐ No ☒
- h. Were all payments made to or on behalf of professionals approved by the court? Yes ☐ No ☐ N/A ☒
- i. Do you have:
- Worker's compensation insurance? Yes ☐ No ☒
 - If yes, are your premiums current? Yes ☐ No ☐ N/A ☒ (if no, see Instructions)
 - Casualty/property insurance? Yes ☐ No ☒
 - If yes, are your premiums current? Yes ☐ No ☐ N/A ☒ (if no, see Instructions)
 - General liability insurance? Yes ☐ No ☒
 - If yes, are your premiums current? Yes ☐ No ☐ N/A ☒ (if no, see Instructions)
- j. Has a plan of reorganization been filed with the court? Yes ☐ No ☒
- k. Has a disclosure statement been filed with the court? Yes ☐ No ☒
- l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes ☒ No ☐

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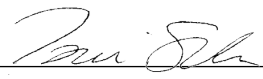
Part 8: Individual Chapter 11 Debtors (Only)

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|--|-------|-----|
| a. Gross income (receipts) from salary and wages | _____ | \$0 |
| b. Gross income (receipts) from self-employment | _____ | \$0 |
| c. Gross income from all other sources | _____ | \$0 |
| d. Total income in the reporting period (a+b+c) | _____ | \$0 |
| e. Payroll deductions | _____ | \$0 |
| f. Self-employment related expenses | _____ | \$0 |
| g. Living expenses | _____ | \$0 |
| h. All other expenses | _____ | \$0 |
| i. Total expenses in the reporting period (e+f+g+h) | _____ | \$0 |
| j. Difference between total income and total expenses (d-i) | _____ | \$0 |
| k. List the total amount of all postpetition debts that are past due | _____ | \$0 |
- l. Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)? Yes ☐ No ☒
- m. If yes, have you made all Domestic Support Obligation payments? Yes ☐ No ☐ N/A ☒

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.

/s/ 

 Signature of Responsible Party
 Joint Liquidator

 Title

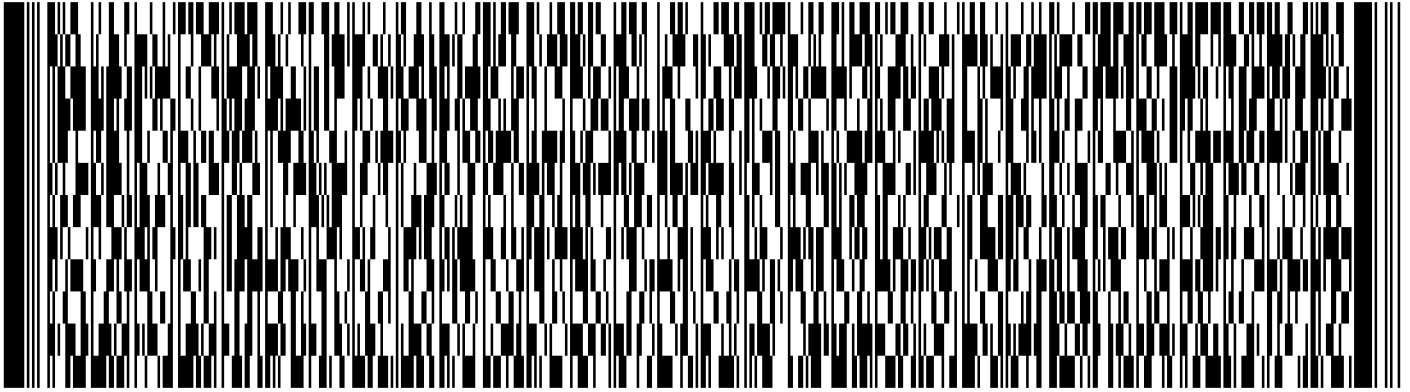
Toni Shukla

 Printed Name of Responsible Party
 09/20/2023

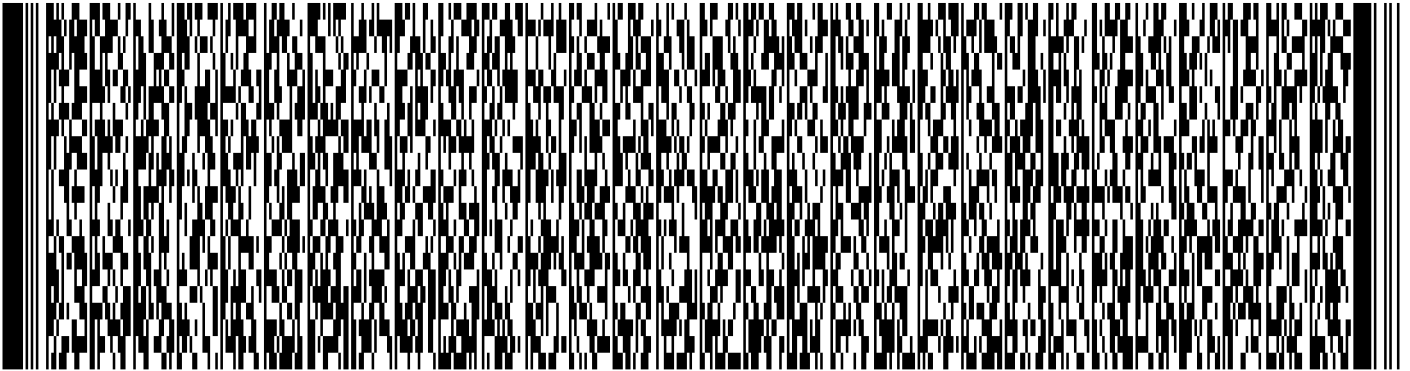
 Date

Debtor's Name Emergent Fidelity Technologies Ltd

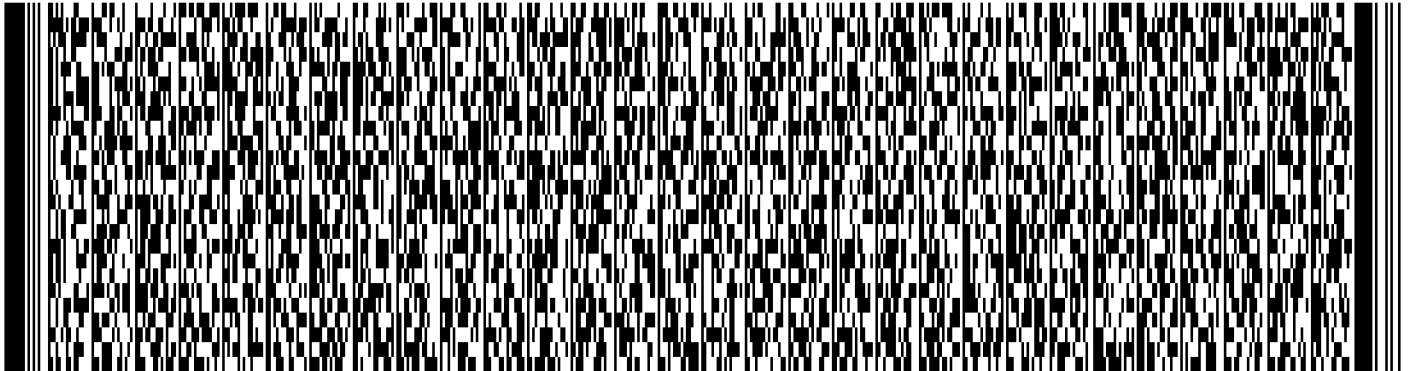
Case No. 23-10149



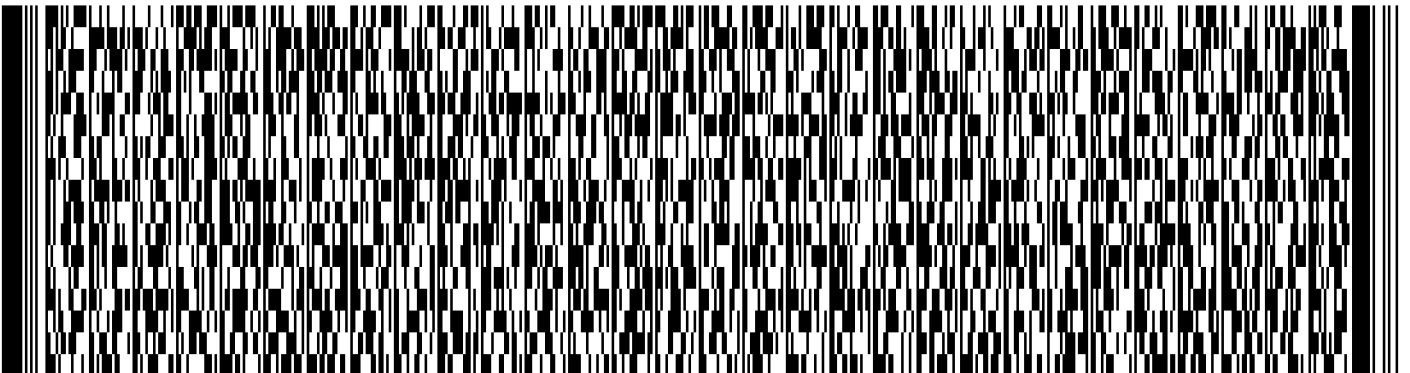
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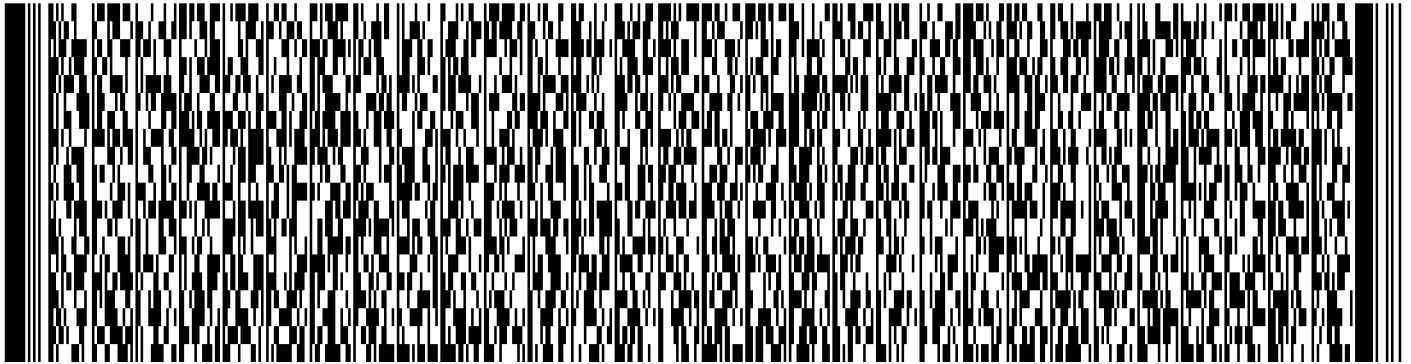
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Debtor's Name Emergent Fidelity Technologies Ltd

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Bankruptcy1to50



Bankruptcy51to100



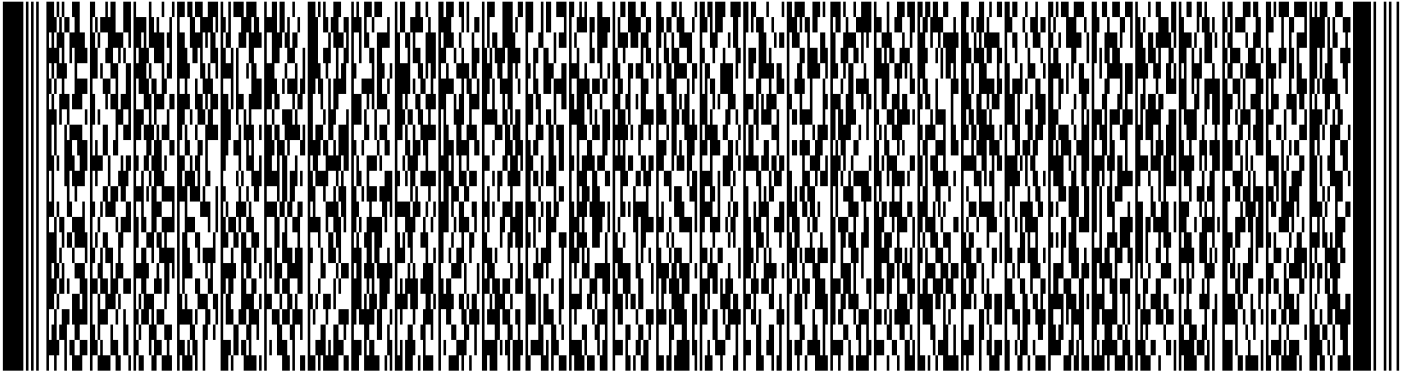
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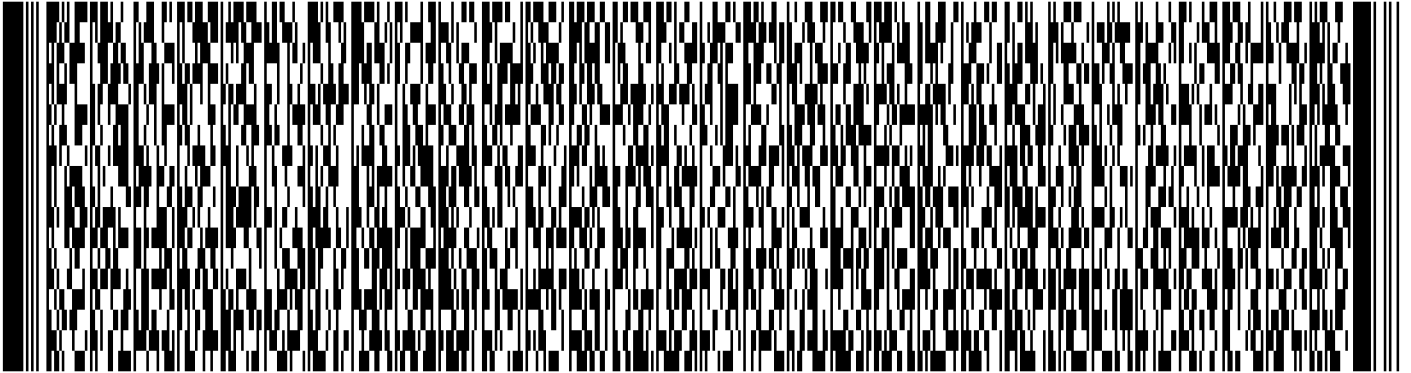
NonBankruptcy51to100

Debtor's Name Emergent Fidelity Technologies Ltd

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Notes to the Monthly Operating Reports (“MOR”): August Report

General Notes:

On February 3, 2023, Emergent Fidelity Technologies Ltd (the “Debtor”), under the control of Angela Barkhouse and Toni Shukla as the Joint Provisional Liquidators pursuant to the Appointment Order¹ of the Eastern Caribbean Supreme Court, High Court of Justice, Antigua and Barbuda (the “Antigua Court”), dated December 5, 2022, filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the “Court”) (the “Emergent Chapter 11 Case”). On March 23, 2023, the Antigua Court entered an order converting the provisional liquidation into a full liquidation pursuant to the International Business Corporation Act, Cap 222, and appointed Angela Barkhouse and Toni Shukla as the Joint Liquidators (“JLs”) of the Debtor.

On April 10, 2023, the Court entered an interim order authorizing the joint administration of the Emergent Chapter 11 Case with the chapter 11 cases of FTX Trading Ltd. and its affiliated debtors and debtors-in-possession, *In re FTX Trading, Ltd., et. al*, Case No. 22-11068 (JTD).

On May 10, 2023, the Court entered a final order authorizing the joint administration of the Emergent Chapter 11 Case with the chapter 11 cases of FTX Trading Ltd. and its affiliated debtors and debtors-in-possession, *In re FTX Trading, Ltd., et. al*, Case No. 22-11068 (JTD).

The following notes should be referred to, and referenced, in connection with any review of the MOR:

Accuracy:

The financial information disclosed herein was unaudited and preliminary and not prepared in accordance with federal or state securities laws or other applicable non-bankruptcy law or in lieu of complying with any periodic reporting requirements thereunder. In preparing the MOR, the Debtor relied on financial data and other information derived from its books and records and pursuant to the JLs’ ongoing investigation of the Debtor’s affairs that were available at the time of preparation. The Debtor hereby reserves the right to challenge or otherwise dispute the validity, status, or enforceability nature of any claim amount, representation, or other statement in this MOR, and reserves the right to amend or supplement this MOR if necessary.

Reporting Period:

Unless otherwise noted herein, this MOR generally reflects the Debtor’s books and records and financial activity occurring during the current reporting period, i.e., from August 1 through August 31. Except as otherwise noted, no adjustments have been made for activity occurring after the close of the reporting period.

¹ The Appointment Order is attached as Exhibit B to the *Declaration of Angela Barkhouse in Support of the Debtor’s Chapter 11 Petition* [D.I. 3, Case No. 23-10149].

Part 1: Cash Receipts and Disbursements – Cash Balance

The Debtor does not have any cash on hand to be reported in Part 1; however, out of an abundance of caution, the Debtor included in Line (a) the aggregate balance of retainers held by professionals retained by the Debtor in the U.S. and the JLs in Antigua (collectively, the “Professionals”) as of the time of chapter 11 filing on February 3, 2023.

Part 2: Assets and Liability Status – Total Assets

On or about August 31, 2023, the Department of Justice, with the consent of the parties in interest, sold the Robinhood shares that it had seized, and thus the Robinhood assets consist entirely of cash, which the DOJ continues to hold. *See United States v. Samuel Bankman-Fried*, Case No. 1:22-cr-00673 (LAK), ECF 242 (S.D.N.Y. Sept. 1, 2023). Accordingly, Line (d) and Line (e) include (i) the aggregate sale proceeds of the Robinhood shares and (ii) the aggregate balance of retainers held by the Professionals.

Part 2: Assets and Liability Status – Postpetition Payables

Part 2, Line (f) includes (i) all fees and expenses accrued by the Professionals that have not yet been paid and (ii) all obligations that became due and payable after the filing of this chapter 11 case under the prepetition financing documents. The Antiguan Professionals, including the JLs, are subject to engagement and a fee approval process pursuant to an order of the Antigua Court. The Debtor anticipates filing a motion to approve a cross-border protocol that will contain procedures for resolving the jurisdictional implications of this Court and the Antigua Court both having concurrent jurisdiction over the retention and fee approval process for the Antiguan Professionals, including the JLs.

Part 2: Assets and Liability Status – Prepetition Secured Debt

Part 2, Line (k) includes, among other things, the aggregate amount of the claims of the BlockFi entities. The Debtor disputes such claims in all respects.

Part 4: Income Statement – Reorganization Items

Part 4, Line (j) includes all fees accrued by the Professionals during the current reporting period.

Part 5: Professional Fees and Expenses

Part 5 provides a list of the Professionals retained by the Debtor in the U.S. and the JLs in Antigua. As noted above, the Debtor anticipates filing a motion to approve a cross-border protocol that will contain procedures for resolving the jurisdictional implications of this Court and the Antigua Court both having concurrent jurisdiction over the retention and fee approval process for the Antiguan Professionals, including the JLs.

Supporting Documentation: Bank Account

As previously reported, the JLs on behalf of the Debtor opened a debtor-in-possession bank account with Axos Bank. There is no cash deposited in the account and there has been no transfer of any cash or proceeds in and out of that bank account.

Supporting Documentation: Payments to Insiders

No payments were made to insiders during the current reporting period.

Emergent Fidelity Technologies Limited - in Liquidation (Debtor in Possession)**Statement of Receipts & Payments as at August 31, 2023**

	\$
Opening Cash Balance	1,212,366.42
Receipts	-
Disbursements	-
Ending Cash Balance	1,212,366.42

Emergent Fidelity Technologies Limited - in Liquidation (Debtor in Possession)
Balance Sheet as at August 31, 2023

ASSETS	
	\$
Cash Held by DOJ	20,746,713.67
Retainer Funds Held by MLB	320,477.60
Retainer Funds Held by Other Professionals	891,888.82
Net proceeds of sale of shares (Robinhood Inc.) Held by DOJ	605,694,411.59
Total Assets	627,653,491.68
LIABILITIES	
Pre-petition Secured Creditors (disputed)	(660,000,000.00)
Pre-petition Secured Creditors	(4,496,882.88)
Pre-petition Unsecured Creditors	(6,855,145.96)
Pre-petition FTX Inc & AI Creditors	Uncertain
Post-petition Accrued Unpaid Costs	(3,477,542.15)
Post-petition Accrued Unpaid Funding Costs	(7,738,295.04)
Total Liabilities	(682,567,866.03)
NET ASSETS	(54,914,374.35)
Stockholders' Equity	
Samuel Bankman-Fried - 900 Stocks	(49,422,936.92)
Zixiao "Gary" Wang - 100 Stocks	(5,491,437.44)
STOCKHOLDERS' EQUITY	(54,914,374.35)

Emergent Fidelity Technologies Limited - in Liquidation (Debtor in Possession)
Statement of Income & Expenditure as at August 31, 2023

	\$
Revenue	
	-
Total - Revenue	-
Expenses	
Other Operating Expenses	3,477,542.15
Total - Expenses	3,477,542.15
Net Income Before Tax	
Revenue	-
Expenses	3,477,542.15
Net Income Before Tax	3,477,542.15
Income Tax Provision - Not Applicable	
Total - Tax Provision	-
Income Tax Provision	-
Net Income (Loss)	3,477,542.15

Emergent Fidelity Technologies Limited (Debtor in Possession)
Bank Account as of August 31, 2023

Entity Name	Bank Name	Account Type	Account Number (Last Four Digits)	Period-End Bank Balance
Emergent Fidelity Technologies Ltd	Axos Bank	DIP Account	1488	USD \$0

Emergent Fidelity Technologies Limited (Debtor in Possession)
Payments to Insiders as of August 31, 2023

Insider Name	Title	Amount of Payment	Description	Date
None	None	None	None	None

No payments were made to insiders during the current reporting period.

Emergent Fidelity Technologies Limited - in Liquidation (Debtor in Possession)
Schedule of Payments to Professionals as of August 31, 2023

Professional	Role	Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
Morgan, Lewis & Bockius LLP	Debtor's counsel in chapter 11	\$0	\$0	\$0	\$0
Quantuma	JLs	\$0	\$0	\$0	\$0
Lake, Kentish & Bennett Inc.	JLs' local counsel in Antigua	\$0	\$0	\$0	\$0
David Joseph KC	JLs' local counsel in Antigua	\$0	\$0	\$0	\$0
Forbes Hare	JLs' local counsel	\$0	\$0	\$0	\$0

The Antiguan Professionals, including the JLs, are subject to engagement and a fee approval process pursuant to an order of the Antiguan court. The Debtor anticipates filing a motion to approve a cross-border protocol that will contain procedures for resolving the jurisdictional implications of this Court and the Antiguan court both having concurrent jurisdiction over the retention and fee approval process for the Antiguan Professionals, including the JLs.